

**Report on Non-Passenger Revenues,  
Customer Information and Services Projects  
Funded with Additional Revenue**

**Presented to Board Budget Committee  
March 9, 2006**

# *Leveraging Metro's Assets to Generate Non-Passenger Revenue*

## **Purpose**

- Update Budget Committee members on projects purchased with the additional FY2005 and FY2006 non-passenger revenue
- Review with members the list of proposed FY2007 projects to be funded with FY2007 supplemental non-passenger revenue
- Update Budget Committee members on non-passenger revenues generated since the Board approved additional in-system advertising space and ATMs in Metrorail stations



## ***Leveraging Metro's Assets to Generate Non-Passenger Revenue***

Project commitments in FY2005 and FY2006 to invest \$1.4 million of non-passenger revenues

▪ Purchase and install bomb-resistant trash cans for customer areas in rail stations.....	\$ 800,000
▪ Add Spanish language capability to the Trip Planner interactive voice recognition system.....	200,000
▪ Install automated routing for calls to the main WMATA switchboard .....	200,000
▪ Implement the Passenger Information Display System (PIDS) Dark Sign Remote Monitoring capability .....	<u>200,000</u>
Total.....	\$ 1,400,000

## ***Leveraging Metro's Assets to Generate Non-Passenger Revenue***

Proposed project investment of \$2 million of non-passenger revenues in FY2007

▪ New Sales and Service Center at L'Enfant Plaza to meet growing customer demand for SmarTrip®-related services....	\$ 450,000
▪ Trip Planner enhancements to provide other vital information, such as delays, elevator/escalator outages, emergencies.....	200,000
▪ Pilot project of electronic signs in unpaid areas at two rail stations to provide real-time information about service status before customers purchase fare or enter faregate.....	200,000
▪ Upgrade station signage at next major transfer station like new standards at Gallery Place-Chinatown station.....	900,000
▪ Purchase more bomb-resistant trash cans for customer areas In rail stations.....	<u>250,000</u>
Total.....	\$ 2,000,000

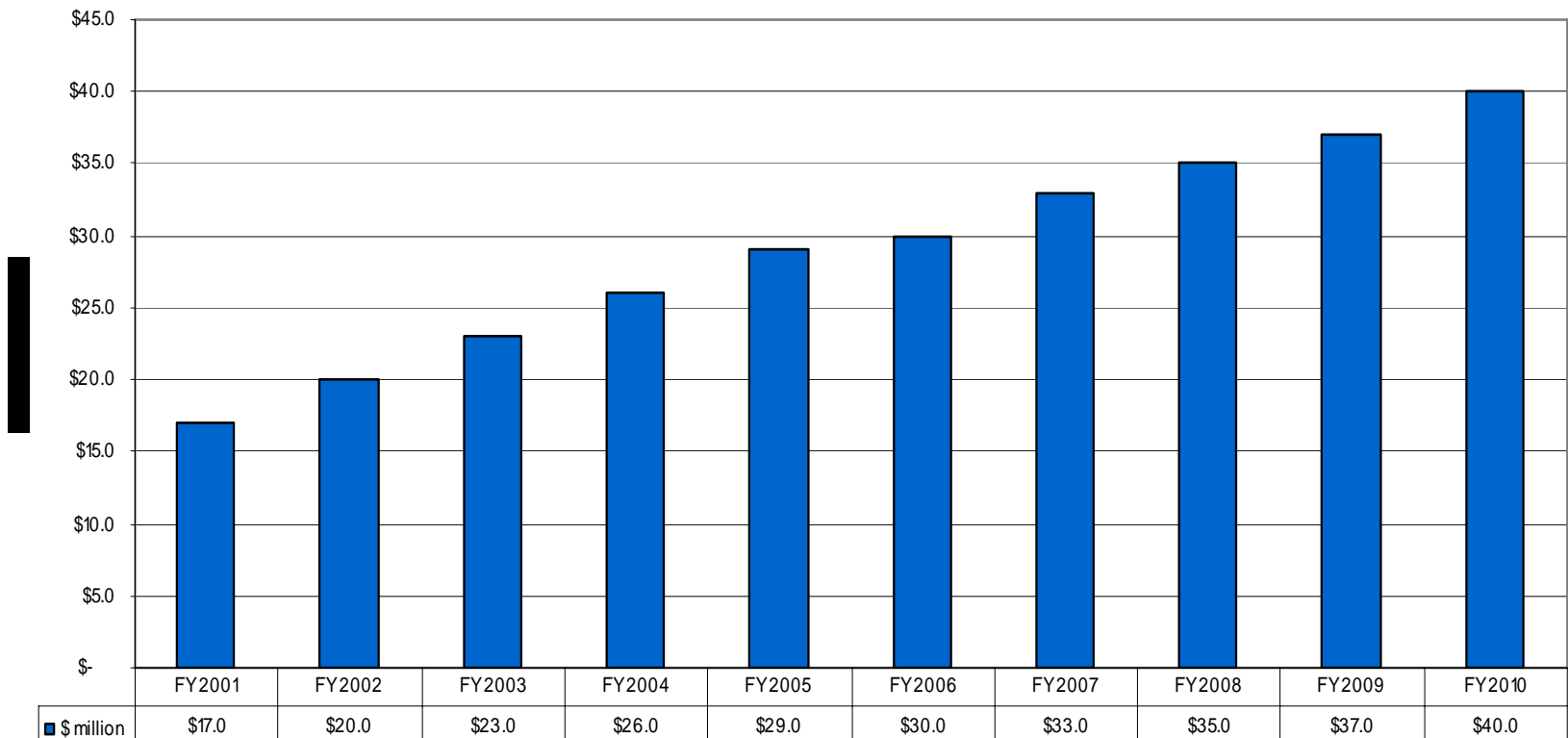
# Non-Passenger Revenue Update: FY2005, FY2006, FY2007



# Leveraging Metro's Assets to Generate Non-Passenger Revenue

Guaranteed advertising revenues increase every year and will total \$290 million over 10 years

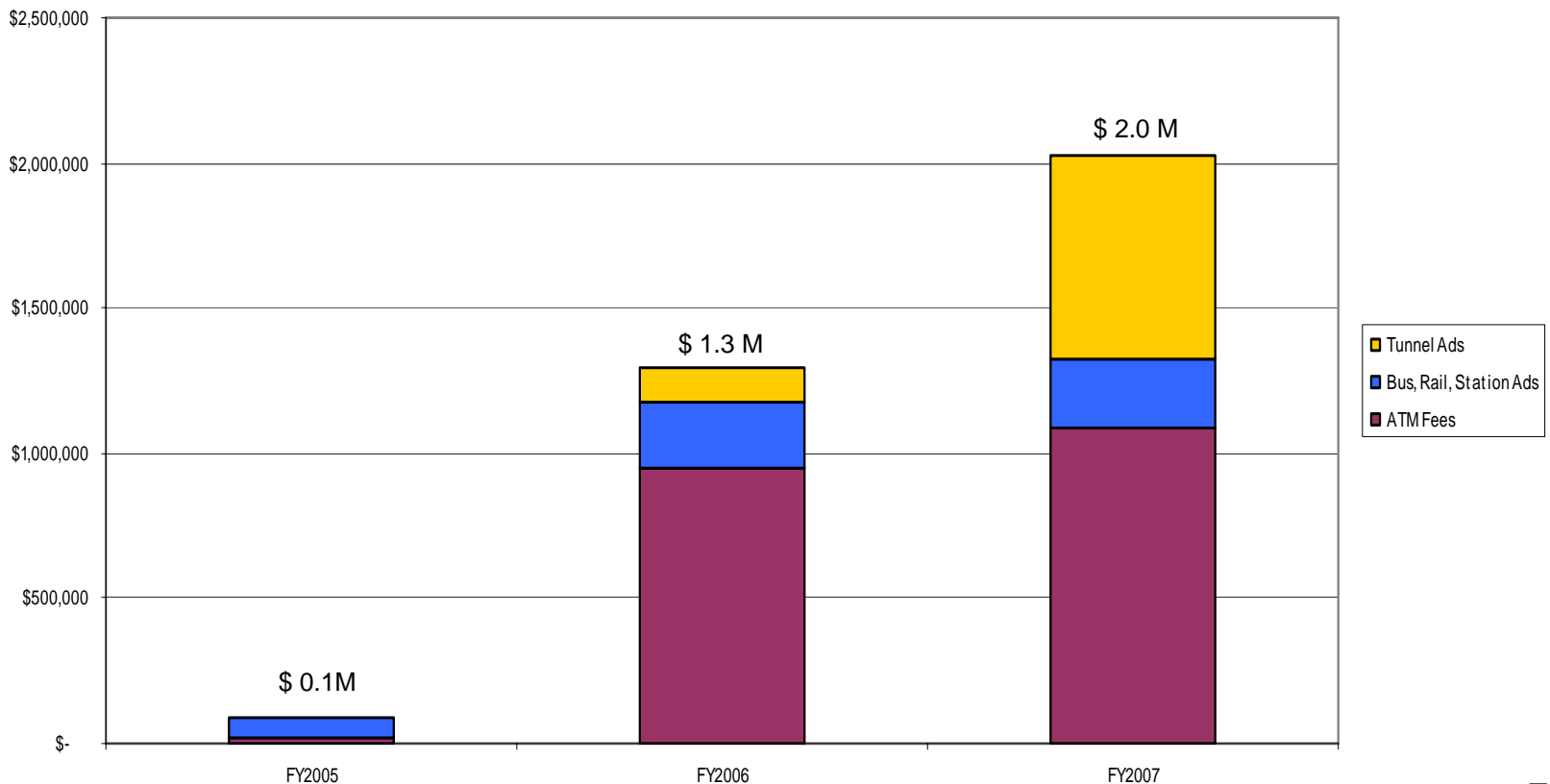
Guaranteed Advertising Revenues by Fiscal Year



# Leveraging Metro's Assets to Generate Non-Passenger Revenue

Revenues from enhanced ad and ATM initiatives are increasing each fiscal year

Enhanced Ad and ATM Revenues by Fiscal Year



# Leveraging Metro's Assets to Generate Non-Passenger Revenue

ATM revenues began in June 2005. Revenues increased in FY2006 as more ATM machines were installed.

- 36 ATMs installed from June to October 2005
- FY2005: Revenues from 14 ATMs for less than one month
- FY2006: Additional ATMs by October so 36 ATMs for most of the fiscal year
- FY2007: Assumes two more ATMs by July 2006 so 38 ATMs for full fiscal year

ATM Revenues by Fiscal Year





# ***Leveraging Metro's Assets to Generate Non-Passenger Revenue***

ATM revenues are much higher than originally projected

## **February 2004 Projection**

- First ATMs to be installed fall 2004
- 24 ATMs at full implementation by July 2005
- \$1,250 monthly revenue per ATM
- \$360,000 total annual revenues in FY2006 at full implementation



## **Actual/Current Projection**

- First ATMs actually installed June 2005
- 36 ATMs installed by October 2005
- \$2,375 monthly revenue per ATM (\$1,875 guaranteed rent plus \$500 commissions)
- \$951,538 projected in FY2006 and \$1,083,000 projected for FY2007

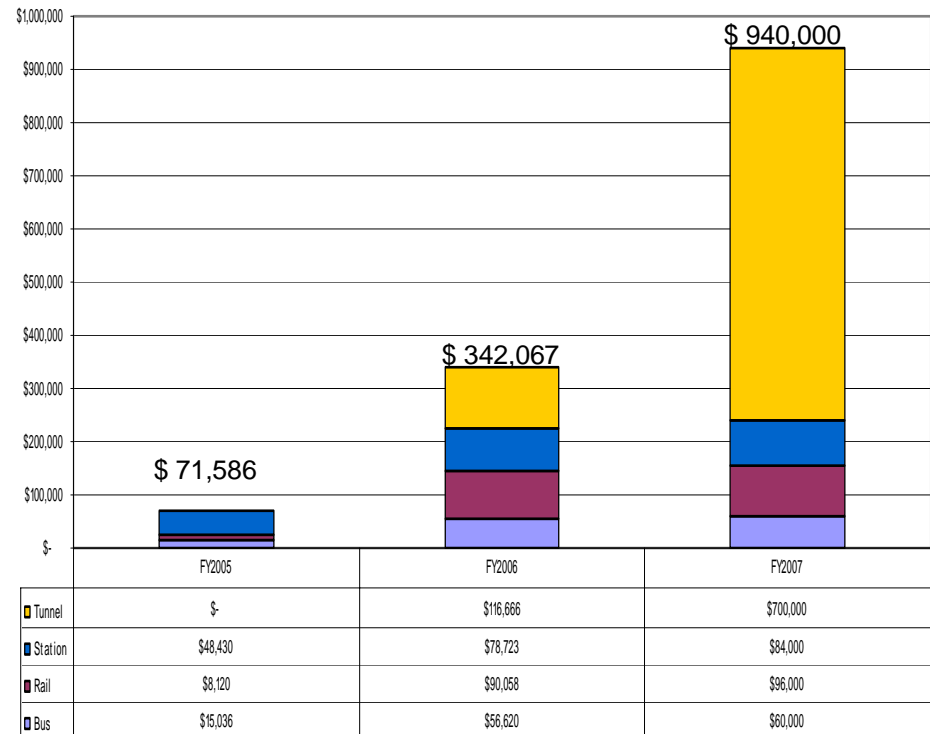
# Leveraging Metro's Assets to Generate Non-Passenger Revenue

Enhanced bus, rail and station ads started in FY2005.

Tunnel ads start in spring 2006 and continue in FY2007.

- Enhanced ads started:
  - Bus wraps – Sept. 2004
  - Bus headliners – Sept. 2004
  - Station banners – Oct. 2004
  - Rail car wraps – May 2005
  - Rail headliners – Sept. 2005
  
- Revenues from enhanced bus, rail and station ads averaged \$17,914 per month from July 2005 through January 2006
  
- Tunnel ads will provide much higher revenues when they start in spring 2006

Enhanced Advertising Revenues by Fiscal Year



# Leveraging Metro's Assets to Generate Non-Passenger Revenue

Enhanced bus, rail and station ads have provided lower revenues than originally projected

## Projection in February 2004

- Maximum potential revenue of \$780,000 assumed a 100% utilization rate of approved additional inventory at full implementation

## Actual/Current Projection

- \$225,401 in FY2006 and \$240,000 projected for FY2007
- Bus and rail partial wraps not as attractive as originally anticipated due to high production costs
- Advertising contractor re-evaluating wrap rate card to make this medium more attractive to advertisers



## ***Leveraging Metro's Assets to Generate Non-Passenger Revenue***

Tunnel ads will provide more guaranteed revenues than originally projected

### **Projection in February 2004**

- Two tunnel ads installed during FY2005 and two more during FY2006
- \$100,000 annual revenue per tunnel ad location
- \$400,000 total annual revenues in FY2007 at full implementation

### **Actual/Current Projection**

- Two tunnel ads installed in April 2006, a third assumed by June 2006, and a fourth assumed by January 2007
- \$200,000 guaranteed annual revenue per tunnel ad location
- \$700,000 total guaranteed annual revenues in FY2007 assuming implementation of third and fourth locations

## ***Leveraging Metro's Assets to Generate Non-Passenger Revenue***

Video Display Pilot Program engineering review and procurement processes took longer than originally anticipated

### **Projection in February 2004**

- Recommend one-year test on limited portion of rail and bus fleet with seven months installation prior to test
- Minimum annual revenue expected at full implementation is \$3 million

### **Actual/Current Projection**

- Final stages of procurement.

## ***Leveraging Metro's Assets to Generate Non-Passenger Revenue***

### **Bus Shelter Advertising Procurement rolled into "Comprehensive Bus Program"**

#### **Projection in February 2004**

- Procure vendor to install, maintain, and service bus shelters via money received through Bus Shelter Advertising
- Base contract at WMATA-owned shelters at Metrorail stations
- WMATA must obtain exemptions from jurisdictions to expand program to curbside locations
- \$400,000 minimum annual revenue expected if fully implemented at bus shelters at all Metrorail stations

#### **Actual/Current Projection**

- Program has been transferred to PDEC as part of the "Comprehensive Bus Program"
- WMATA's Office of General Counsel has determined that the zoning ordinances in the jurisdictions prohibit, or make it very difficult to provide bus shelter advertising at most locations

## **Next Steps**

- Return to Budget Committee as part of the Budget Process with action item to approve specific projects to be funded in FY2007
- Return to Budget Committee with recommendations for additional advertising space